



From the **OFFICES OF THE HOUSE SPEAKER
AND SENATE PRESIDENT**

www.oregonlegislature.gov/rayfield
www.oregonlegislature.gov/wagner

NEWS RELEASE

FOR IMMEDIATE RELEASE

Date: June 16, 2023

Hazel Tyliniski, hazel.tyliniski@oregonlegislature.gov
Connor Radnovich, connor.radnovich@oregonlegislature.gov

**Legislature Announces \$172 Million Early Childhood Budget
Package, \$75 Million to Child Tax Credit**

The Early Childhood Budget framework will address the cost-of-living crisis, help reduce child poverty and support systemic investments in happy, healthy families

SALEM, Ore. - Today, legislative leaders announced a \$172 million Early Childhood Budget framework for the 2023-2025 biennium. A centerpiece of the framework is a \$75 million investment in the first-ever Oregon state child tax credit. **The proposed \$1000 tax credit per child** would address increased cost-of-living and support Oregon's working families struggling to make ends meet.

"Oregon families are having a hard time affording basic necessities right now," said [Senator Wlnsvey Campos](#) (D-Aloha), co-chief sponsor of [House Bill 3235](#). "This budget framework will provide parents the breathing room and flexibility they need to put food on the table, keep a roof over their heads, and afford daily essentials."

[A recent study](#) conducted by researchers at OSU found that 60% of Oregonians with young children spend 20% of their monthly income on childcare, and 54% of Oregon employers say childcare access is a challenge in hiring and retention.

“Oregon working families are being forced to make the tough choice between paying rent, groceries, or childcare,” said [Representative Andrea Valderrama](#) (D- Outer East Portland). “By investing in childcare infrastructure, we are investing in children and working families and can help them meet their needs while reducing poverty at the same time.”

The [U.S. Census Bureau](#) reported in 2022 that the 2021 expansion of the child tax credit resulted in 5.3 million Americans, including 2.9 million children, being lifted out of poverty. Investing in childcare and early learning means healthier, happier kids and families.

“In addition to helping families make ends meet, this money would have long-term benefits for kids’ ability to and interest in learning, health, future careers, and more,” said [Representative Nancy Nathanson](#) (D-North Eugene), Chair of the [Joint Committee on Tax Expenditures](#). “Our Child Tax Credit would meaningfully improve the lives of more than 200,000 Oregon children. We cannot leave this opportunity on the table.”

Last week, the House also passed [House Bill 5013](#), locking in a \$1.8 billion budget for the Department of Early Learning and Childcare (DELDC) to give the newly independent agency a stable foundation for its vital work.

“As a pediatrician and a mom, I have seen how important it is for families to have access to the resources and childcare they need during their kids’ formative years,” said [Representative Lisa Reynolds](#) (D-Washington County), [Chair of the House Committee On Early Childhood and Human Services](#). “That’s why we need to focus on stable, sustainable funding streams for this programming and the agencies supporting it.”

In addition to the legislature advancing a stable DELDC budget, the Early Childhood Budget framework includes:

- **\$75 million to invest in a proposed \$1000 tax credit per child** providing needed relief for families with up to six dependents from ages zero to five ([House Bill 3235](#)).
- **\$50 million to build, renovate, and expand childcare and preschool facilities** across Oregon ([House Bill 3005](#)) and \$5 million to provide technical assistance to those seeking to access this funding.
- **\$15 million to the Employment-Related Day Care (ERDC) program** to ensure families have access to affordable childcare by increasing provider reimbursement rates, as well as another **\$8 million** to manage caseload capacity.
- **\$18.6 million for the Department of Education’s Early Intervention and/or Early Childhood Special Education (EI/ECSE) Services**, to meet the increase in caseload and ensure Oregon’s kids are getting the timely resources and attention they deserve.
- **\$300,000 to study barriers to a high-quality early childhood workforce** and to provide guidance for successful careers working with kids and families.

“Investing in preschools, day care, and early education services will not only support Oregon parents and families now, but sets them up for success in the future,” said [Senator Mark Meek](#) (D-Clackamas County), Co-chair of the [Joint Committee on Tax Expenditures](#). “One of the best ways to support our state is through supporting our families, which is exactly what this budget framework does.”

A lack of accessible childcare costs our state's economy an estimated \$2.15 billion per year due to decreased productivity, lost earnings, and increased public assistance, according to a report by the [Oregon Child Care Research Partnership](#).

“When childcare and early childhood supports are accessible and affordable, it’s good news for families, learning outcomes, and the economy.” said [Representative Hoa Nguyen](#), Vice Chair of the [House Committee On Early Childhood and Human Services](#).

The Early Childhood Budget framework and related policy package also includes [House Bill 2727A](#), which would **address childcare deserts in Oregon** by directing the Department of Land Conservation and Development to convene a workgroup of agencies, local governments, childcare providers and advocates to examine barriers for existing early learning and care facilities across the state. *House Bill 2727A passed the House on June 14th with a bipartisan vote of 45-12.*

The Early Childhood Budget framework, paired with the \$1.8 billion DELC Budget, would ensure a strong economy and work towards making high-quality, culturally specific childcare and early childhood resources more accessible and affordable for Oregon families as the cost-of-living spikes across the country.

###